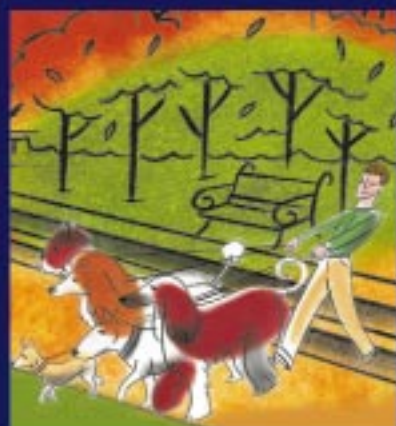


FY 2001



Empowerment Zones

Urban Application Guide

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Benefits of Empowerment Zone Designation

The opportunity to be an Empowerment Zone is an exciting one for your community. The Empowerment Zone/Enterprise Community (EZ/EC) Initiative marks the most significant effort launched by the Federal Government in decades on behalf of the Nation's most distressed communities. With this Initiative, the Federal Government has turned the traditional approach to Federal programs upside-down, listening to communities rather than prescribing top-down solutions, supporting bottom-up innovation rather than burdening local leaders with regulation, and encouraging flexibility and reinvention.

The EZ/EC Initiative is working! In communities designated in Round I (1994) and Round II (1998), businesses are expanding and creating jobs, and residents have greater access to the services they need to take advantage of these new economic opportunities.

Winning designation is, of course, the key goal of participating in the EZ Round III competition. However, the benefits of the application process itself will be invaluable to your community. Communities pull together to work on solving tough problems, new partnerships are formed, resources are brought together, and in the end, a community has a vision for the future that can guide its actions even if it doesn't win designation.

In addition to bringing communities together, the EZ/EC Initiative offers tangible benefits in the form of tax incentives and a variety of Federal resources. Some of the benefits of being named an EZ in Round III are outlined below.

Tax Incentives

- **Empowerment Zone Employment Credit:** Provides a credit against Federal taxes up to \$3,000 for businesses for each year of EZ designation for every existing employee and new hire who lives and works in the EZ.
- **Work Opportunity Tax Credit (WOTC):** Provides a credit against Federal taxes for businesses for each new hire from groups that have high unemployment rates or other special employment needs, including: youth aged 18-24 who live in an EZ, EC or Renewal Community (RC) and 16 to 17 year old EZ, EC or RC resident summer hires.
- **Welfare-to-Work Tax Credit:** Provides a 2 year credit against Federal taxes for businesses that hire long term family-assistance recipients. The maximum credit is \$3,500 per new hire in the first year and \$5,000 per employee in the second year.
- **Increased Section 179 Deduction:** Allows businesses to deduct (up to a maximum of \$35,000) all or part of the cost of certain qualifying property in the year it is placed in service.

- **Environmental Cleanup Cost Deduction (Brownfields Tax Incentive):** Provides businesses with an incentive to clean up certain sites that are contaminated, or perceived to be contaminated, with hazardous substances. A business can elect to deduct qualified environmental cleanup costs in the tax year the cost is paid or incurred.
- **Enterprise Zone Facility Bonds:** Allows State and local governments to issue tax-exempt bonds to make loans at lower interest rates to Enterprise Zone Businesses to finance Qualified Zone Property.
- **Qualified Zone Academy Bonds (QZABs):** Allows State or local governments to issue bonds at 0 percent interest cost to them to finance public school programs with private business partnerships. Private businesses must contribute money, equipment, or services equal to 10 percent of bond proceeds.
- **Non-Recognition of Gain on Sale of Empowerment Zone Assets (EZA):** Provides that capital gain on Empowerment Zone Assets (EZA) (stock, partnership interests and business property) of an Enterprise Zone Business held for more than one year is not recognized (and is rolled over) if replacement EZA are acquired within 60 days.
- **Partial Exclusion of Gain on Sale of Empowerment Zone Stock:** Allows exclusion of 60 percent of the gain on sale of small business stock of a C Corporation which is an Enterprise Zone Business located in an EZ if the stock is held for at least 5 years.
- **New Markets Tax Credit:** Allows equity investors in qualified Community Development Entities (CDEs) to obtain a tax credit against Federal taxes of 5-6 percent of the amount invested for each of the years the investment is held, for up to 6 years of the credit period.

For more information about these incentives, please consult the *Tax Incentive Guide for Businesses in Renewal Communities, Empowerment Zones, and Enterprise Communities*. Please call 1-800-998-9999 to obtain a free copy of this publication.

Federal Resources Available to Empowerment Zones

Designated Empowerment Zones will become members of HUD's current network of Empowerment Zones and Enterprise Communities. Each EZ will be assigned its own HUD representatives, who will be available to assist the EZ as it works toward implementing its Strategic Plan. Empowerment Zones can participate in monthly conference calls, will have access to a network of peer communities, and will be provided with information on resources, funding, and best practices via the EZ website, as well as through flash faxes, and other publications generated by the Empowerment Zone office. In addition, HUD will draw on its alliances with public interest groups, the business community, and experts in tax law to ensure that EZs have the know-how to effectively promote and market the tax incentives within their business community.

Many Federal agencies have dedicated resources specifically to Round III EZs. The following programs are only some of those that support EZs as they work to revitalize their neighborhoods. Although you are not required to include all of these program offerings in your Strategic Plan, you should include those that you feel would best support your plans for revitalization.

- One-Stop Capital Shops (OSCSs)—U.S. Small Business Administration
- Brownfields Cleanup and Redevelopment—U.S. Environmental Protection Agency
- Information Technology—E Rate—Schools and Libraries Corporation
- Access to Capital—U.S. Department of the Treasury
- Weed and Seed—U.S. Department of Justice
- Out-of-School Youth—U.S. Department of Labor
- Welfare-to-Work Grants—U.S. Department of Labor
- Ginnie Mae Targeted Lending Initiative—Government National Mortgage Association



Applying for Empowerment Zone Designation

Applying for Empowerment Zone (EZ) designation is an exciting opportunity for your community to build its vision for the future. Over the next 6 months you will meet, discuss, and debate some of the most important issues facing your community.

Throughout the application process, community residents and representatives from local and State governments, businesses, nonprofits, and faith-based organizations will work side-by-side, many for the first time, to develop your community's Strategic Plan.

The EZ application process recognizes that you and your local partners are in the best position to create sustainable strategies for revitalizing your targeted neighborhoods. In short, we depend on you to tell us what is best for your community. Your plan should include a holistic strategy that focuses on creating economic opportunity for residents and must be sustainable over the long term. A simultaneously challenging and rewarding process, the collaborative effort to develop the application is the foundation upon which your revitalization efforts will be built.

To facilitate this process, it is vital that you understand the design of the EZ Initiative and the requirements for designation as an EZ. It is important that you read the application materials that HUD has developed to assist you. These materials, described below, contain important information for preparing your application.

Notice of Intent To Participate

Before you begin the application process, we ask that you submit the Notice of Intent to Participate form to HUD. Currently there are 3 ways in which a community can submit the Notice of Intent to apply for EZ designation in Round III: using the hard copy forms provided in this publication; electronically via the Internet; or by facsimile. The Notice of the Intent to Participate can be found in the back of this publication. Once HUD receives this form, you will be added to our mailing list so you can receive up-to-date information about Round III, including the location and dates of application workshops, as the competition period progresses. If you are applying on-line, you must fill out the Notice of Intent to Participate electronically and the database will provide instructions to complete the entire application process. Please check our website at: www.hud.gov/offices/cpd/ezec to get additional information for electronic submission of the application.

If using the published form, please mail it as soon as possible to:

U.S. Department of Housing and Urban Development
EZ/EC Team, Room 7130
451 Seventh Street, SW
Washington, DC 20410

If the Notice is being faxed, please use (202) 708-3363 or (202) 401-7615.

Application Requirements

An application for Empowerment Zone designation consists of three parts:

- **Nomination Forms (Parts I-IV):** These mandatory forms must be in correct order for an application to be considered.
- **Strategic Plan:** This narrative submission is the core of the application.
- **Census Tract Maps:** Use 1990 census tract maps to identify the boundaries of the State and local nominating entities and the boundaries of the proposed EZ.

Before submitting your application be sure that all three parts of the application are accurate and complete and that all required certifications have been signed.

Note:

It is not mandatory that you submit a Notice of Intent to Participate in order to apply for Round III EZ designation.

Application Materials

HUD has created several documents and publications to assist you in completing your application. These include: The Notice Inviting Applications; The Interim Rule; The Empowerment Zone Application Guidebook; and *Tax Incentive Guide for Businesses in Renewal Communities, Empowerment Zones and Enterprise Communities*. These documents contain critical information regarding the application and evaluation processes, and the resources available to your community if it wins designation.

Submitting Your Application

There are four ways to submit your application to HUD—hand-delivery, mail, overnight delivery, and via the internet. The specific requirements for each of these methods are described in detail in the Notice Inviting Applications: Third Round Designation of 7 Urban Empowerment Zones. Delivered applications are due no later than **5:00 p.m. Eastern Time on September 21, 2001**. Mailed applications must be postmarked on or before September 21, 2001. The address for submitting delivered or mailed applications is:

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
c/o Processing and Control Unit, Room 7255
451 Seventh Street, SW
Washington, DC 20410

Application Forms: Parts I–IV

This publication includes four nomination forms that are required as part of your application. The required nomination forms identify the name of the nominating entities, eligibility information, certifications and population data. This section explains each of the nomination forms.

- **Part I: State and Local Government Identification:** This form lists the names of the nominating State and local government entities that are filing the application.
- **Part II: Eligibility Information:** The Eligibility Information form is divided into four categories: A) Size and Location of the Nominated Area; B) Population and Poverty Rate of the Nominated Area; C) Distress of the Nominated Area; and D) Alaska and Hawaii Nominations. Eligibility information is discussed in further detail below.
- **Part III: Certifications:** The application must contain original signatures. If you are applying via the Internet, you must submit this form by mail.

- **Part IV: Population Data Form:** This form collects information on the census tracts that make up the nominated area. Complete instructions for obtaining census tract information are contained in this publication with detailed instructions for filling out the Population Data Form. Please follow these instructions carefully. Additionally, 1990 census data information is also available on our website at www.hud.gov/offices/cpd/ezec to complete census data submission requirements.

Eligibility of the Nominated Area

Size and Location

A nominated area cannot be larger than 20 square miles, but also may include up to 2,000 acres in areas called *developable sites* located outside the 20-square-mile-Zone. Thus, the largest possible nominated area would be 20 square miles plus 2,000 acres. This additional acreage must be used for commercial and industrial purposes and need not meet the poverty rate criteria in other areas of the Zone. Developable sites can consist of 1-3 noncontiguous parcels and are eligible for all of the benefits and incentives available to other areas of the Zone. We encourage you to give careful consideration to identifying which developable sites may be added to your nominated area, and how their expected use fits within your Strategic Plan. These sites allow communities to link their EZs with other areas that can provide jobs for Zone residents. You should give serious thought to redevelopment efforts that can maximize the potential for the developable sites, and transportation linkages that may be available or necessary to connect EZ residents to these areas.

Examples of developable sites include ports, transportation and railway hubs, dilapidated buildings, brownfields, and former military bases. Give serious consideration to projects that can take advantage of the tax incentives and that meet the needs of your community and the surrounding area as identified in your Strategic Plan. New job creation centers outside the formal EZ boundaries could be very helpful in integrating the EZ into your larger regional economy and connecting residents to new employment opportunities. Partners in your surrounding region and other local government authorities may be very helpful in identifying suitable sites.

Aside from developable sites, a nominated area cannot contain more than 3 noncontiguous areas. So, a nominated area may contain as many as 6 noncontiguous areas: 3 noncontiguous areas subject to the poverty criteria and 3 noncontiguous developable sites that are exempt from the poverty criteria and square mileage limitation.

The nominated area cannot be located in more than 2 contiguous States. In addition, a nominated area cannot include any census tracts that are part of a central business district (CBD) unless the poverty rate for each of the included CBD census tracts is at least 35 percent.

Population

The maximum population of a nominated urban area is the lesser of (1) 200,000, or (2) the greater of 50,000 or 10 percent of the population of the most populous city located within the nominated area.

For example, assume that the most populous city in the nominated area is 75,000. You would multiply that number by 10 percent, which gives you 7,500. Because any EZ may nominate an area of at least 50,000, the maximum population could be up to 50,000.

In short, no nominated area can exceed 200,000 in population, and any nominated area can be at least 50,000 in population.

Poverty Rate

A nominated urban area must meet the following poverty rate criteria:

- The poverty rate for each of the census tracts within the nominated urban area must be at least 20 percent.
- The poverty rate for at least 90 percent of the area's census tracts must be at least 25 percent.
- Census tracts with populations of less than 2,000 will be considered as meeting the 25 percent poverty criterion if more than 75 percent of the tract is zoned for commercial or industrial use and the tract is contiguous to one or more tracts that has a poverty rate of at least 25 percent.

If a nominated urban area consists of noncontiguous parcels, each parcel (excluding any developable sites) must independently meet the poverty rate criteria.

Distress

This section of the form confirms that you have included information in your Strategic Plan documenting conditions of distress in your nominated area. Distress is defined in the Interim Rule as pervasive poverty, unemployment, and general distress. The Rule contains a definition of these terms.

Alaska and Hawaii Nominations

Special size, distress, and poverty rate criteria apply to applicants from Alaska and Hawaii. Applicants from those States should read the applicable sections of the Interim Rule.

Census Maps

The application should include copies of the 1990 census map(s) showing:

- The boundaries of the local government(s) identified in Part I: State and Local Government Identification.
- The boundaries of the nominated area, including developable sites, if any.

The 1990 census tract outline maps can be ordered by calling the U.S. Department of the Census at (301) 457-1128. When ordering, please recognize that these maps are plotted on demand and therefore may not be available at State data centers. Information on these centers can be obtained via the U.S. Census Bureau Web site at: <http://www.census.gov/sdc/www/>

Frequently Asked Questions:

Will there be a Round III of Empowerment Zones?

On December 21, 2000 the Community Renewal Tax Relief Act of 2000 was signed into law as enacted in the Omnibus Consolidation & Emergency Supplemental Appropriations Act for FY 2001 (P.L. 106-554). This legislation authorizes the designation of 9 new EZs (7 urban and 2 rural). In May 2001, HUD and U.S. Department of Agriculture (USDA) will invite urban and rural communities, respectively, to apply for the EZ designations. Designations of Round III EZs will be announced prior to January 1, 2002 and will be effective through 2009.

Will the Round III EZs receive any grants?

Congress has not approved grants for the Round III EZs at this time. They approved only tax incentives for these EZs.

What benefits will be available for Round III EZs?

Round III EZs will be eligible to receive the following benefits:

- A package of Federal tax incentives to encourage businesses to invest in EZs. For information on the incentives, please see *Tax Incentive Guide for Businesses in Renewal Communities, Empowerment Zones and Enterprise Communities*. This free publication is available by calling 1-800-998-9999.
- Preferential consideration for benefits under other Federal programs that provide development assistance to underserved communities. This includes 21st Century Community Learning Centers (U.S. Department of Education), Brownfields Showcase Communities (U.S. Environmental Protection Agency), One-Stop Capital Shops (U.S. Small Business Administration), the Weed and Seed Program (U.S. Department of Justice), Youth Opportunity Grants (U.S. Department of Labor), and Youthbuild (HUD), and others.

In addition, Round III urban EZs will receive daily, on-going support, advice and guidance from professional staff at HUD's Washington, DC headquarters. HUD staff will notify the EZs of funding opportunities that become available for their communities and the staff will include EZs in monthly conference calls to discuss and share ideas, problems and visions for community revitalization. These calls frequently include guest speakers from other cities and non-profit organizations to share strategies on maximizing tax benefits and other resources that are available to underserved communities.

How do I obtain application materials to apply to become an EZ?

To obtain application materials, call HUD's Community Connections at 1-800-998-9999. In addition, materials will be posted on the urban EZ/EC web site at: www.hud.gov/offices/cpd/ezec. Parties interested in information or materials regarding the rural EZ/EC program can visit the USDA's rural EZ/EC website at: www.ezec.gov/round3

Where can I obtain a copy of the legislation authorizing Round III?

On December 15, 2000, the Joint Committee on Taxation published a summary of the Community Renewal Tax Relief Act of 2000 and it is available on the Internet at <http://www.housingonline.com/x-112-00.pdf>. The legislation that authorizes the designation of 7 urban and 2 rural Empowerment Zones is available at: <http://waysandmeans.house.gov/fullcomm/106cong/comrenew/hr5662.pdf>

Can an existing Enterprise Community (EC) apply for Round III EZ designation?

ECs are eligible to apply for a Round III EZ designation and, if selected as an EZ, will keep their existing EC designation and funding, in addition to any benefits they receive as a Round III EZ.

Is it possible to have two or more EZs in one State?

Yes. No rule exists to prohibit any State from having more than one EZ.

Can a Round III EZ be located in more than one State?

Yes. Regulations do not prohibit the boundaries of a new EZ from including more than one State.

What are the eligibility criteria for the new EZs?

The eligibility criteria for the new EZs are the same as for the Round II EZs. These criteria are outlined in the Omnibus Budget Reconciliation Act of 1993, Title XIII, Chapter I, Subchapter C, Part I, Section 1392 and as amended in the Taxpayer Relief Act of 1997, Public Law 105-34, Title IV, Subtitle F, Chapter 2, Section 952, paragraph (a). The detailed criteria are available for viewing on the Internet at: http://www.access.gpo.gov/nara/cfr/waisidx_99/24cfr598_99.html

Will hiring a consultant to produce a plan for us increase our chances of getting designated?

Not necessarily. The most competitive plans will involve extensive citizen participation and reflect true local values and goals. Although a consultant may be helpful in organizing the community to identify its goals, a plan produced by a consultant without that community involvement would not be very competitive.

Why are there no ECs in Round III?

Congress did not authorize Enterprise Communities for Round III.

Can the Secretary of HUD waive or lower the poverty rate criteria?

No. The poverty rate requirement is established in the Community Renewal Tax Relief Act of 2000. Since this is a statutory requirement, this cannot be waived.

Can my community get copies of successful Round II Empowerment Zone applications to help us prepare a Round III application?

The urban EZ/EC website has a resources bullet where interested parties can view successful Round II urban EZ applications. The urban EZ/EC website is at:

www.hud.gov/offices/cpd/ezec

Are there any provisions for using anything other than 1990 census data? It has been a long time since the 1990 census.

Use of the 1990 Census data is required by law. Since this is a statutory requirement, it cannot be waived.

Where can we get the poverty data?

You can consult the U.S. Bureau of the Census CPH-3 series of publications from the 1990 Census of Population and Housing Characteristics for Census Tracts and Block Numbering Areas. Larger libraries will have copies of these publications. In addition, the data center in your state, and some regional planning agencies, will also have copies. The CPH-3 data are also available from the Census Bureau's web site located at: <http://www.census.gov/geo/www/ezstate/poverty.html>. The data will be available on our website. The address is www.hud.gov/offices/cpd/ezec.

Note: 2000 census data may not be used.

What is a participating entity?

A participating entity may include any group, organization, regional planning agency, or government entity that participates in the development and implementation of a community's Strategic Plan.

What constitutes a local government?

A local government is any individual county, city, town, township, parish, village, or other general purpose political subdivision of a State, or any combination thereof.

If an EZ includes geographic areas from more than one relevant local government, must all of them join in the nomination?

Yes. If a nominated area crosses the boundaries of State or local governments, then each State or local government must join in the nomination.

Can the same census tract be included in more than one nominated area?

No. Each nominated area must be an independent and unique area.

How many nominations can be submitted by a nominating entity?

The nominating entity or entities may nominate any number of areas. However, no nominated area can contain a census tract that has been included in any other nominated area.

Can EZs be established on Indian Reservations?

Yes. In Round III, tribal governing bodies are eligible to nominate areas to be designated as EZs.

These areas are subject to the same eligibility criteria as other nominated areas.

Key Principles of the EZ/EC Initiative

The Empowerment Zone and Enterprise Community Program is designed to afford communities opportunities for growth and revitalization. The framework of the program is embodied in four key principles: Strategic Vision for Change; Community-Based Partnerships; Economic Opportunity; and Sustainable Community Development. These principles are drawn from the experiences of communities around the Nation that have used them successfully to develop a holistic approach to community revitalization. As you prepare your application and Strategic Plan, you should be guided by these principles.

- **The Strategic Vision for Change:** Identifies what a community will become in the future and includes a clear statement of the values the community used to create its vision. The vision should include coordinated strategies that will help to achieve the community's goals. It also takes into account the development of a performance measurement system that will provide the framework for evaluating progress and adjusting the Strategic Plan.
- **Community-Based Partnerships:** Emphasizes the importance of involving all community stakeholders in the revitalization of distressed neighborhoods. Key partners include residents; businesses; local political leaders; local, State, and Federal governments; community development corporations; local public health and social service departments; regional planning organizations; unions; environmental groups; schools and universities; faith-based organizations; and other community groups. A successful EZ can leverage the various resources that these partners bring to the table. Key partners should be included in the governance structure. All partners should be held accountable for their commitment to revitalizing the community.
- **Economic Opportunity:** Includes creating jobs for EZ residents and linking residents to jobs within the Zone and throughout the region. Successful economic opportunity strategies provide entrepreneurs with technical assistance and greater access to capital and credit; assist businesses in expanding and providing residents with job training and placement services. There is an emphasis on linkages to welfare-to-work and school-to-work initiatives.
- **Sustainable Community Development:** Advances the creation of livable and vibrant communities through comprehensive approaches that coordinate economic, physical, environmental, community, and human development. In

Note:

You are not required to organize your Strategic Plan in terms of these four principles. This section is intended to stimulate discussion, not define the elements of your Strategic Plan.

successful EZs, these approaches preserve the environment and historic landmarks; address brownfields cleanup and redevelopment; advance the use of telecommunications as a means of improving community coordination and interaction; explore the economic development advantages of energy efficiency and the use of renewable energy resources; and improve the quality of and/or access to programs supporting families, youth development, substance abuse prevention, healthcare, human services, education, childcare, affordable housing, transportation, and public safety.

The Role of Telecommunications and Information Technology

As Round III applicants develop their Strategic Plans, they should consider the role that telecommunications and information technology can play in helping the community achieve each of the four key principles. This technology, when used most widely and effectively, can assist communities in many areas important to revitalization efforts, such as:

- Facilitating grassroots organizations by providing an easier way to share information, exchange ideas, and stay in touch.
- Providing students with access to valuable education resources through e-mail, online sources, and Internet-based project learning.
- Providing residents with technology training that will qualify them for the increasing number of jobs that require technology skills.
- Providing residents with the ability to telecommute to jobs in other areas.
- Fostering economic growth by allowing entrepreneurs and small businesses to market their services over the Internet and to learn about new opportunities.
- Connecting communities to other sister communities and regional partners, and to opportunities emerging in the new global economy.
- Improving delivery of services by government agencies, social services providers, and nonprofit organizations.
- Facilitating e-mail communication among teachers, parents, and children; thus, improving family services and educational services.
- Increasing access to healthcare through telemedicine and telehealth applications (linking communities to premier research hospitals and practitioners in other locations).

The Strategic Plan

Quality of the Strategic Plan

As the core of the application, the Strategic Plan is your opportunity to describe in detail your strategy for revitalizing the area you are nominating as an EZ. In making the Round III EZ designations, the HUD Secretary will take into account the quality of the Strategic Plan submitted by the applicant and the quality of commitments made in connection with the Strategic Plan. In evaluating your application, HUD has allocated 75 out of a maximum 100 points to the quality of the Strategic Plan. Twenty-five points have been allocated to the quality of the commitments.

Exhibit 1 outlines the maximum points assigned to each element.

Exhibit 1. Rating Factors

Strategic Plan	POINTS
Vision/Values	5
Community Assessment	5
Goals/Strategies	10
Implementation Plan Elements	
Projects and Programs	10
Tax Incentive Utilization Plan (TIUP)	30
Developable Sites (optional)	
Governance Plan	5
Community Performance Assessment	5
Strategic Planning Process Documentation	5
Subtotal	75
Quality of Commitments	
Resources Leveraged and Documented	25
TOTAL	100

Note:

It is not necessary to submit the elements in any particular format. Your Strategic Plan may be organized and presented in whatever way most clearly communicates your strategy for revitalization.

Strategic Plans should be concise and to the point. The length of the Strategic Plan, including attachments, should not exceed 75 pages.

Note:

The vision should not be a laundry list characterizing the perfect community. Rather, it should be a strategic vision reflecting the goals and priorities of community members and acknowledging the community's unique strengths.

Strategic Plan Elements (20 Points)

The Strategic Plan consists of a number of required elements described in the Interim Rule and the Notice Inviting Applications: Third Round Designation of 7 Urban Empowerment Zones. Each element will be evaluated on the criteria contained in the Notice. Below is a description of the elements, the maximum points available for each element, examples of successful elements in other EZs, as well as tips for developing the elements based on lessons learned through Round I and Round II.

Vision and Values (5 Points)

As you begin to develop your Strategic Plan, the first step will be creating the future vision for your Zone. This will be an exciting time, as stakeholders come together to dream about the future of the community and to share with each other the values that will guide decisions about the future. It is important to spend the necessary time to create a vision that stakeholders agree upon, and one that will inspire the entire community to work together to attain. HUD will look for innovation and creativity. The vision should be powerful enough to drive the rest of the strategic planning process. The vision is the foundation upon which the rest of the Strategic Plan is built.

This component should articulate a vision for the future that includes a graphic representation for the future physical appearances, land use patterns, and qualities of the community. To improve the quality of the visioning process, the community should reach out to local citizens and encourage their participation in the visioning process. Explain how the vision creates economic opportunity, encourages self-sufficiency, and promotes sustainable community development.

Community Assessment (5 points)

To be considered for EZ status, the nominated area must be one of pervasive poverty, unemployment and general distress as prescribed by CFR 598.110. But, in addition to meeting the minimum criteria for designation, a full account of community and regional assets and problems should be made. Baseline data should be collected to which outcomes can be compared and success measured. An important area to document is the state of local infrastructure. This includes housing, roads, transportation, water, sewer, solid waste, sidewalks, street lights, drainage, open space, and bandwidth. The state of local services is also crucial, such as schools, police, fire, child care, health care, and other social services. The state of human and economic development should be documented, and barriers noted. In order to develop effective revitalization strategies, it is essential that you have a thorough knowledge of the problems your community faces as well as the assets that can be used to address these problems. Communities evolve, as do both positive and negative trends. Communities must document these trends and identify their causes to develop effective solutions.

To illustrate, high unemployment in an area may be the result of a gradual decline of an industry or industries. Understanding the dynamics of that decline can enable communities to develop strategies to reverse that trend. Communities can

also decide to adopt alternative strategies if they determine that opportunities lie elsewhere. Don't forget to look beyond your borders for an understanding of how the nominated area fits in with the surrounding area.

Goals/Strategies (10 Points)

In every phase of the strategic planning process, make sure that each step you take is related to both the preceding as well as the succeeding step.

The development of specific goals and strategies is the point in the strategic planning process when you begin to transform your vision into specific actions which, if accomplished, will turn the vision into reality.

This element should describe the comprehensive set of goals to be achieved over the life of the designation. Goals should be clear, broad statements about specific outcomes the community wants to achieve. The goals should serve as a framework for specific strategies. Strategies will also drive your decisions about specific programs and projects that you will implement.

Applicants must describe how the local plan will be coordinated with regional planning and regional growth management. The plan should include a strategy for redevelopment with minimal displacement of local residents, and if displacement occurs, it should explain how it will be mitigated. Strategies should include how land use and urban design will use transportation hubs, incorporate mixed and flexible land use, promote the development of economically mixed and geographically dispersed affordable housing, encourage community land trusts, and promote urban green parks. A strategy should cover remodeling and rehabilitation of existing buildings, include modifying existing building, fire, historical preservation, and zoning code requirements. The plan should explain a process for evaluating the fiscal impact of every project, including a measurement of costs and impacts, compared to revenues and benefits to the community.

Implementation Plan (55 Points)

For a Strategic Plan to be a roadmap to revitalization, it needs more than a great vision and broad goals. You need to have a solid plan to give life to the vision and goals. Therefore, as part of your application, we ask that you prepare a detailed plan of how the community will implement its Strategic Plan. The components of the Implementation Plan are: Projects and programs; Tax Incentive Utilization Plan; a Governance Plan; Developable Sites; Community Performance Assessment; and Strategic Planning Process Documentation.

The following example illustrates how elements of the Implementation Plan come together:

Central City Zone has a goal of obtaining jobs for residents. Their strategy for approaching this goal was funding job placement and job training. The implementation plan included three or four job fairs each year designed to give residents the opportunity to interact with employers and to discuss potential career options.

Tip!

Be as specific as possible in formulating your plan of action. Know your goal and the outputs and outcomes you will measure to evaluate your success. Structure your program to give you that output.

Tip!

Measure results, not process. A report on the number of job fairs held does not tell you whether the fairs are helping to employ EZ residents. You will also need to report on the number of residents who got jobs as a result of the fair.

The job fairs were held near residents and were cosponsored by the chambers of commerce and the One-Stop Capital Shop. Budgets for each fair were clearly outlined, and funding was obtained through sponsorship from local businesses. As its baseline, the city identified that only 50 percent of the Zone residents currently held jobs. To measure the output, the city proposed reporting not only on the number of people who attended the fairs, but also the number of residents who actually got jobs as a result of the fair. In this way, Central City Zone could monitor whether the job fair program met its goal.

Projects and Programs (10 points)

This element describes the specific projects and programs to be implemented during the first two years of the EZ designation. We want realistic projects and programs. Some will be started and completed during the first year period, and some will last well beyond.

We encourage you to emphasize a coordinated strategy. Economic opportunity is the driving force of the EZ/EC Initiative and should hopefully take a prominent place in your planning efforts. HUD also is looking for projects and programs that are part of a coordinated strategy to make residents employable. Residents often need a number of human services to become employable and maintain employment. Examples include childcare, healthcare, drug treatment, education, family and youth programs. Residents also need safe communities, access to affordable housing, recreation and cultural opportunities, and a livable environment.

We are looking for projects and programs that:

- Leverage resources
- Identify lead entities that will be held responsible for implementation.
- Offer unique and innovative solutions to problems.
- Help ensure maximum community participation and project sustainability.
- Offer realistic budgets and real commitments.
- Include solutions that use advanced information and/or video telecommunications networks.

Since there are only tax incentives and no grant funds offered in Round III, this category receives less weight than in Round II. Projects will result largely from marketing of tax incentives, and leveraged commitments. Zones should detail how they will leverage local, State and Federal funds for specific projects.

Tax Incentive Utilization Plan (30 Points)

This element addresses a significant aspect of the EZ Initiative—the use of the business tax incentives available to designated EZs to support economic revitalization. Similar to other Federal, State and local resources and funds, communities should treat these as assets that they can use to accomplish their goals of promoting

business retention and attraction. We are looking for plans that integrate the tax incentives with the needs identified in the community assessment and goals developed for the Strategic Plan, and for strategies that have the greatest potential for maximizing the use of the incentives. Applicants should provide strategies for marketing the tax incentives to businesses, delivering general on-going technical assistance to businesses that may be interested in taking advantage of the incentives, and assessing the incentives' impact.

The TIUP should include a number of methods, both general and targeted, to promote the use of the tax incentives. For example, general approaches might include articles about tax incentives in local newspapers, community newsletters, and business journals; inclusion of tax incentive summaries in local marketing materials for the city, county or EZ; and forums for businesses and residents that explain the incentives and provide opportunity for questions. You should also consider how you can target the use of the incentives in the development of a specific project or program within the EZ.

The Federal tax incentives available for EZs include:

- Empowerment Zone Wage Credit
- Work Opportunity Tax Credit
- Welfare-to-Work Tax Credit
- Increased Section 179 Deduction
- Environmental Cleanup Cost Deduction
- Enterprise Zone Facility Bonds
- Qualified Zone Academy Bonds
- Nonrecognition of Gain on the Sale of Empowerment Zone Assets
- Partial Exclusion of Gain from the Sale of Empowerment Zone Stock
- New Markets Tax Credit

Please consult the *Tax Incentive Guide for Businesses in Renewal Communities, Empowerment Zones, and Enterprise Communities* for more information about individual incentives. Please call 1-800-998-9999 for a free copy of this publication.

In developing your tax incentive utilization strategies, you may want to consider the following resources:

- Are there local bar associations or tax accountant associations that can provide technical assistance, help local businesses analyze and file for the incentives, participate in a call-in assistance program, provide anecdotal information on use of incentives (while recognizing that taxpayer information is not public information) and supply data on the extent of use of the incentives from their own experience in preparing tax returns?

- Are there local firms in the business of gathering data, conducting telephone surveys or managing focus groups that can assist in refining and implementing the TIUP?
- Are there marketing materials for local or State tax incentives (such as sales tax relief in locally designated economic zones, or wage credits for certain industry sectors) that could be expanded and revised to include the Federal tax incentives and discuss the interaction between State, local and Federal tax incentives?
- Are there local business mentoring programs that might be tapped to provide one-on-one guidance to small businesses on using tax incentives and to provide testimonial on the value of tax incentives at general marketing meetings?
- Are there ways that local tax officials can publicize the incentives with any information or tax returns these officials already mail to businesses?
- Are there ways that local tax forms can be revised to obtain data on the extent of use of the Federal incentives?
- Have the State Employment Services Agency (SESA) or local job banks had a role in designing the marketing materials and implementing the employment tax incentives? What data do these agencies collect that could be useful in assessing progress toward the employment goals of the TIUP?
- What associations or organizations are likely to have contact with small businesses, and how will they be included in marketing and follow up of the TIUP?

Example:

In Round II, Santa Ana, California submitted as part of its TIUP a plan to update its Tax Savings Projection Software (developed by the city to help businesses, brokers, etc. understand the annualized value of the State Enterprise Zone tax credits and Manufacturers' Investment Tax Credit) to incorporate Federal tax incentives. In addition, they planned to determine the feasibility of making the information available on their EZ website. This strategy uses an existing marketing tool for State and local tax incentives and integrates the Federal tax incentives. The State of California has wage credits that are very similar to the EZ Wage Credit; thus, this approach can encourage the multiplier effect of combining incentives. It also puts the tax savings into concrete terms for businesses, which facilitates success of the strategy.

A more targeted strategy to promote the tax incentives could be developed by analyzing specific information that emerge during the strategic planning process. The following examples illustrate how this information can be used to target the Federal incentives to a particular project, and to successfully link them to other State and local programs.

Example:

Urban Zone A has as its goal to improve the school curriculum in the Zone to better link school to work. During the Community Assessment process, participants identified several medical-related businesses that were concerned that graduating students lacked the science, math and communication skills needed to sell, operate and repair the sophisticated medical diagnostic and treatment equipment sold and used by these businesses. Zone A has identified two Federal tax incentives that can be used to implement the goal: QZABs and WOTC. In its TIUP, Zone A lists as an implementation strategy to put the medical businesses in contact with public school finance and curriculum specialists to design a curriculum to be offered at a school in the Zone. The curriculum would apply science, math and communication skills to specific tasks and equipment used by the medical businesses. Zone A will help the businesses to facilitate the donation of equipment to be used in a laboratory setting in the school program, and personnel to help design the curriculum to integrate the skills with job requirements. The strategy will also include an agreement by the businesses to hire students from the program for the summer to provide more intensive mentoring experiences. The long-range goal would be that these summer interns will be hired by the businesses upon graduation. The school will finance the purchase of additional equipment and supplies and some necessary renovations and upgrades for computers with proceeds of the QZABs. Zone A will work with local insurance companies to serve as purchasers of the bonds. The Zone will also coordinate the certification process between the SESA and the businesses so that the businesses will receive the WOTC for the summer interns. If the students are ultimately employed by the medical businesses, the businesses would then be able to take the EZ Wage Credit. The strategy would also require that the school document the number of students going through the curriculum and that the businesses provide data on their use of tax incentives.

Tip!

You can maximize your use of incentives if you structure your TIUP to identify the general and specific strategies you intend to pursue, the goals these strategies are tied to, the resources you expect to use (local, State, non-profit, for profit, community and neighborhood), the timeline for accomplishing various steps of the strategy, and the method of collecting data or assessing results.

Example:

In Round II, Boston provided a TIUP in its application that demonstrated that it would be ready to begin its plan upon designation. An excerpt is included below:

GOAL: Maximize Investment and Job Creation in the Zone by Leveraging Tax Incentives

COMMUNITY ASSESSMENT: Boston has devised several innovative approaches to getting the most out of the EZ tax incentives. From the numerous public meetings which were held throughout the EZ, Boston is creating new approaches to using the tax incentives to empower individuals. For instance, in our marketing strategy for the Empowerment Zone, we will target public information about the Work Opportunity Tax Credit and the Welfare to Work Credit to individuals as well as to businesses. Residents should not expect businesses both inside and outside the EZ to be aware of the employment incentives. For this purpose, Boston will target those two credits, through our marketing program, as a commodity for EZ residents to use in their job searches.

STRATEGY: Create an aggressive and innovative approach that promotes awareness, understanding and use of tax credits available in the EZ.

IMPLEMENTATION: The Boston Empowerment Center, the one-stop shop for businesses in the Empowerment Zone, will serve as the information center for tax incentives tailored to the EZ. The City plans to hire a tax specialist to work 20 hours per week on a fixed schedule. The primary responsibility of the tax specialist will be to help businesses, government leaders, community organizations and individuals understand the federal, state and city tax incentives available to businesses and individuals in the Zone. It is unrealistic to expect the advantages of tax incentives to be maximized by people who are not experts in accounting. The accountant will be expected to meet with State and federal tax officials to discuss ways to make corporate tax incentives more understandable and accessible. The City will partner with a local accounting firm to fund the tax specialist. Such a partnership will allow businesses, individuals and community-based organizations to better plan their employment and economic development initiatives.

Small businesses in the EZ will naturally benefit from such a partnership. Many small to medium-sized businesses in the EZ, owned and operated by citizens from the EZ, could benefit from the incentives geared towards cleaning up contaminated properties, constructing new or expanding facilities, or hiring individuals from the EZ. However, many of these enterprises do not have the economic means to afford professional tax counseling, and thus, are not aware of the wealth of possibilities before them.

RESOURCES LEVERAGED: Assistance from a local accounting firm, i.e., a funding expert valued at \$25,000/year.

TWO-YEAR IMPLEMENTATION PLAN: Contract for services of a tax professional for tax counseling and in Year Two, begin offering tax classes and workshops.

TWO-YEAR BUDGET: \$160,000

TWO-YEAR OUTCOME: 50 businesses receive tax assistance and 50 individuals participate in tax classes and workshops.

You are not required to follow this format, and can create your own approach. You may want to focus on concrete goals, strategies, and time lines, however, and need to devise methods to assess if your efforts are successful.

Developable Sites (Optional)

Developable sites can add a great deal of flexibility to the job creation strategies of the nominated area. We expect that businesses located in the developable sites will be job engines for the nominated area. Your Strategic Plan should show how Zone residents will be linked to jobs created at the developable sites. It is important that the developable sites strategy, to the extent feasible, include firm commitments from partners.

It is important that the area(s) chosen as developable sites are close enough in proximity to the nominated area to benefit Zone residents. In addition, we encourage strategies that support the principles of sustainable community development.

Example:

A port area near the nominated area is seeking funds for expansion. A coordinated strategy might include providing a combination of grant dollars and tax-exempt municipal bond funds to fuel the growth of the port area. The strategy would also include working with port businesses to develop training programs to ensure that residents can participate in the expanded economic activity. The site may also have environmental problems and the Zone would work with State and Federal environmental agencies to remediate any contamination prior to development.

Governance Plan (5 Points)

The Governance Plan demonstrates that both the lead implementing entity and other key organizations participating in the implementation of the Strategic Plan have the capacity to implement the plan. Members from all facets of the community should be represented on the governance board, especially Zone residents and business owners. They should participate in the decision making process, including decisions on resource allocation.

Applicants should look beyond the boundaries of the nominated area for partners. Regional planning commissions, county governments and others can provide a regional perspective. For example, there are many jobs in suburban areas, yet it is difficult to link inner-city residents to the jobs. By engaging regional players such as transportation authorities, and working with them to change bus routes, rapid transit schedules, etc., applicants can create more opportunities for EZ residents.

Applicants should also give thought to engaging telecommunications and computer companies in their revitalization efforts, including representation on governance boards. Computers and telecommunications are becoming increasingly important and the information economy will continue to grow. Applicants should use this technology to improve intra- and inter- community communications, and ensure that inner-city residents are not left behind. Having a governance board that is knowledgeable about the positive impact these technologies can have on revitalization efforts is crucial to the sustainability of those efforts.

Tip!

No one governance structure is right for every community. We have learned from Round II that the governance board sets the tone and pace of the entire community revitalization effort. Leadership matters! An effective governance board is a critical element of a successful strategy. Spend time developing a diverse board that takes advantage of the human capital in your community.

Tip!

You will want to amend your Strategic Plan in a manner that involves as much stakeholder involvement and discussion as the preparation of the original Strategic Plan.

This element needs to describe how the Strategic Plan will be implemented. A leadership development program should be included here, as leadership is extremely important to the success of EZs. Other capacity building plans, as well as a plan for mediation of disputes should also be included.

Community Performance Assessment (5 Points)

The Community Performance Assessment is your community's tool to ensure that the programs and projects it is implementing are having the desired impacts and that they are effective in achieving your goals. This assessment is part of your performance measurement system, and requires that you have a systematic process in place to periodically review your progress in implementing the Strategic Plan. You will want to know on a continuing basis whether programs and projects are meeting expectations, so that appropriate adjustments can be made.

Remember, Strategic Plans are living documents, and they need to grow and change. After designation, you will need to periodically amend your Strategic Plan, not only based upon performance considerations, but also because environments will change, unanticipated opportunities and obstacles will emerge, and other issues will arise.

This information is crucial to the continuing development of the EZ/EC initiative, by learning from what works. It is crucial to measure *outcomes* as well as *outputs*. Comparing outcomes to baselines and benchmarks developed in the community assessment will provide a more objective measure of success.

Strategic Planning Process Documentation (5 Points)

The EZ/EC Initiative values the process by which the Strategic Plan was created. It is important to know how communities came together to work on its Strategic Plan and how selection of the boundaries of the EZ were made. An applicant needs to identify the process that includes a broad representation of the racial, cultural, gender and economic diversity of the community.

This element should include a description of the process the community used to select the proposed boundaries for the EZ, including any developable sites and the process used to prepare the Strategic Plan.

Quality of Commitments

The final factor to be used in evaluating the Strategic Plan is the Quality of Commitments made in connection with the Strategic Plan. Nominated areas are required to provide written assurances that the Strategic Plan will be implemented. In addition to the certification, it is essential that HUD be able to evaluate the breadth and quality of such commitments. Leveraging community resources is critical to ensuring that revitalization efforts are successful and sustainable over the long term.

Every community has resources that can be employed to solve its problems. An applicant must identify and utilize resources to complement the Federal Government assistance received as part of the EZ/EC Initiative. Examples of valuable partners include businesses, foundations, educational institutions, faith-based organizations, local and State governments, nonprofits, and chambers of commerce. Contributions can be commitments from a local program to provide job training, or in-kind services such as an advertising firm creating marketing materials for the EZ.

Resources Leveraged and Documented (25 Points)

While each community is asked to maximize leveraging, it is crucial that the commitments received from community partners are real. Examples of strong commitments include letters from the CEO of a business committing the firm to hiring EZ residents trained through an EZ job training program or letters from high-ranking government officials, education institutions, and others committing resources to the revitalization effort. Without solid commitments, leveraging means very little.

Other forms of solid commitments include Memoranda of Understanding or Agreement, city council or county commission resolutions, or other documentation clearly spelling out the nature of the participation and the financial and nonfinancial resources to be contributed.

Besides the leveraging of finances, *EZs need to leverage many different types of commitments* including tax and regulatory relief from other levels of government. This could include waivers or reductions in development fees, including permit, license, inspection, impact, and utility connection fees. It could also include State and local abatements of taxes on wages, income, sales, personal property, and building improvements. Additional tax and regulatory incentives can be added to the marketing strategies identified in the Tax Incentive Utilization Plan. This section should cover the resources that will be committed to perform cost-benefit studies, and to ensure coordination with regional growth management.

Tip!

Develop a specific strategy for getting and keeping the community involved in the process. Identify key subgroups that compose the area and include representatives from each throughout the process. Do not forget to include both new and long-time residents who may not be a part of any organization; these individuals offer the perspective of what it is like to live, work, and raise a family in the Zone.

Tip!

Be certain to document the steps involved in the decisionmaking processes from the very first meeting. Assign a person to be responsible for keeping attendance and minutes during meetings. Keep a record of all contacts with stakeholders. Although we ask that you not include sign-in sheets, meeting minutes, and other examples of this documentation in your application, they will be helpful to you in completing this section.

Tip!

Be creative and exhaustive in your attempts to leverage resources.



Post-Designation Requirements

Memorandum of Agreement

Shortly after designation, EZs will enter into a Memorandum of Agreement (MOA) with the applicable State entity and HUD. This MOA will outline the partnership agreements among all participating parties.

Performance Measurement and Reporting Requirements

Each designee will be required to develop and implement a performance measurement strategy. The strategy will allow you to evaluate your progress against your performance measures and make necessary mid-course corrections in your Strategic Plan to enable you to meet your goals. It will also permit HUD to monitor your progress in implementing your Strategic Plan.

Appendix A:

EZ/EC Initiative Contact Information

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
EZ/EC Initiative
451 7th Street SW
Room 7130
Washington, DC 20410
Phone: (202) 708-6339
Fax: (202) 401-7615
Website: www.hud.gov/offices/cpd/ezec

Community Connections
(HUD's Resource Center)
For information on programs to help build communities:

Community Connections
P.O. Box 7189
Gaithersburg, MD 20898-7189
Phone: 1-800-998-9999
Email: comcon@aspensys.com

Appendix B:

Available Publications for Urban Communities

Notice Inviting Applications: Round III Designation of 7 Urban Empowerment Zones: Published in the *Federal Register* and available upon request.

Empowerment Zones: Rule for Round III Designation: Published in the *Federal Register* and available upon request.

Empowerment Application Guide and Forms: This guide offers specific instructions as to how urban communities should prepare their application for Empowerment Zone designation.

Nomination of designation as an urban Empowerment Zone (Parts I-IV): The Application forms identify the eligibility information a community must submit to HUD to be eligible for Round III designation. Each set of forms contains certifications that the information provided is accurate and that the applicant will implement its Strategic Plan.

Federal Programs Guide: Provides a list of Federal Government programs available to distressed communities. Applicants can use this Guide to identify current or prospective Federal government programs that can be used to help revitalize their neighborhoods.

Tax Incentive Guide for Businesses in Renewal Communities, Empowerment Zones, and Enterprise Communities: Applicants can use this guide to identify various tax benefits offered to support economic revitalization.

To request copies of publications listed above, please call:
1-800-998-9999.

Application Forms

Public reporting burden for this collection of information is estimated to average 50 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2506-0148), Office of Information Technology, U.S. Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

If there appears to be a conflict between the language in this publication and the Empowerment Zones: Rule for Third Round Designation, the language of the rule shall take precedence.

Notice of Intent To Participate

Please send notice to:

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
EZ/EC Team, Room 7130
451 Seventh Street, SW
Washington, DC 20410

Note: This notice may also be submitted via fax to 202-708-3363 or 202-401-7615.

Please submit this information as soon as possible.

Location of Nominated Area:

Name and Address of City and State Nominating Entities

City: _____

Address: _____

Contact: _____

Phone: _____

Fax: _____

E-mail: _____

State: _____

Address: _____

Contact: _____

Phone: _____

Fax: _____

E-mail: _____

Attach separate sheets, as necessary, to provide identical information for all governments nominating the area.
Number the additional sheets 1a, 1b, etc.

Submission Requirements

Submissions

In order to be considered for designation, in general, nominations that are completed and acceptable for processing must be received by **5 p.m. eastern time, September 21, 2001**. Special instructions for delivered applications and mailed applications are contained in the Notice Inviting Applications. Nominations must be submitted in the general format that follows:

- **Nomination Form Parts I through IV**, including required certifications and written assurances.
- The **Strategic Plan**, which is the narrative submission and the core of the nomination. It is recommended that an index or table of contents identify major components and that the pages be numbered sequentially. Tabs or other separations may be used as appropriate. (For more information on how to prepare a nomination, please refer to the Notice Inviting Applications, published in the *Federal Register*; *Empowerment Zones: Rule for Third Round Designation*; and *Tax Incentive Guide for Businesses in the Renewal Communities, Empowerment Zones, and Enterprise Communities*. These publications can be downloaded from the HUD Web site at <http://www.hud.gov/offices/cpd/ezec> or ordered by calling Community Connections at 800-998-9999.)
- **Map(s)**: Attach a copy of the 1990 census map(s) showing (1) the boundaries of the local government(s) discussed in Part I: State and Local Government Identification and (2) the boundaries of the nominated area, including developable sites, if any.

Applicants are required to send an original and two copies of the nomination to:

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
c/o Processing and Control Unit
Room 7255
451 Seventh Street, SW
Washington, DC 20410

Nomination Forms

for Urban Federal Empowerment Zone Designation

**U.S. Department of Housing
and Urban Development**
Office of Community Planning
and Development

Nomination Categories (mark as applicable):

- ☐ Urban
☐ Indian Reservation

Part I: State and Local Government Identification

A. Nominating State Government(s), Tribal Governing Body, or State Chartered Economic Development Corporation

☐ Enter the total number of nominating State governments.

Name of Entity	Authorized Official	
Contact Person (Name and Title)		Telephone Number
Address (Street / P.O. Box, City, State, and ZIP Code)		

Name of Entity	Authorized Official	
Contact Person (Name and Title)		Telephone Number
Address (Street / P.O. Box, City, State, and ZIP Code)		

B. Nominating Local Government(s)

☐ Enter the total number of nominating local governments.

Name of Jurisdiction	Metropolitan Statistical Area Name (if in an MSA)	
Authorized Official		
Contact Person (Name and Title)		Telephone Number
Address (Street / P.O. Box, City, State, and ZIP Code)	County	

Name of Jurisdiction	Metropolitan Statistical Area Name (if in an MSA)	
Authorized Official		
Contact Person (Name and Title)		Telephone Number
Address (Street / P.O. Box, City, State, and ZIP Code)	County	

Attach separate sheet(s), as necessary, to provide identical information for all governments nominating the area.
Number the additional sheets 4a, 4b, etc.

Part II: Eligibility Information

This form incorporates the information necessary to demonstrate that the nominated area meets the statutory eligibility requirements. Procedures for identifying the population and poverty rate data are given in Part IV. Use the results to answer the appropriate items below.

A. Size & Location of the Nominated Area

- | | Yes | No |
|---|--------------------------|--------------------------|
| 1. What is the square mileage of the nominated area? | <input type="text"/> | |
| 2. Is the nominated area located wholly within the jurisdiction of the government(s) listed in Part I: State and Local Government Identification? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Is the nominated area located in no more than two contiguous States? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Is the boundary of the nominated area continuous? | <input type="checkbox"/> | <input type="checkbox"/> |
| a. If "no," does the nominated area, excluding developable sites, consist of not more than three noncontiguous parcels? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Does the nominated area include developable sites that are exempt from the poverty rate criteria? | <input type="checkbox"/> | <input type="checkbox"/> |
| a. If "yes," are there no more than three non-contiguous parcels that are developable sites? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. If "yes," are they 2,000 acres or less in the aggregate? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Is the nominated area a Metropolitan Statistical Area? | <input type="checkbox"/> | <input type="checkbox"/> |
| a. If "no," has the nominating local government documented the urban character of the area? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Are there any census tracts within a central business district? | <input type="checkbox"/> | <input type="checkbox"/> |
| a. If "yes," is the poverty rate at least 35% for such tracts? | <input type="checkbox"/> | <input type="checkbox"/> |

B. Population & Poverty Rate of the Nominated Area

- | | | |
|---|--------------------------|--------------------------|
| 1. Do any of the census tracts included in the nominated area have a population of less than 2,000? | <input type="checkbox"/> | <input type="checkbox"/> |
| a. If "yes," is more than 75% of the tract zoned commercial/industrial? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. If "yes," is the tract contiguous to one or more other census tracts that have a poverty rate of at least 25%? | <input type="checkbox"/> | <input type="checkbox"/> |

Yes No

- | | |
|--|---|
| 2. From the Part IV population form, provide the following information for the entire area nominated: | |
| a. Total 1990 census population | <input type="text"/> |
| b. Excluding census tracts containing developable sites, do all census tracts in the nominated area have a poverty rate of at least 20%? | <input type="checkbox"/> <input type="checkbox"/> |
| c. Excluding census tracts containing developable sites, do at least 90% of all the census tracts in the nominated area have a poverty rate of at least 25%? | <input type="checkbox"/> <input type="checkbox"/> |
| 3. What is the population of the most populous city in the nominated area? | <input type="text"/> |
| a. What is the name of that city? | <input type="text"/> |

Yes No

C. Distress of the Nominated Area

- | | | |
|---|--------------------------|--------------------------|
| 1. Is the pervasive poverty of the area detailed in the Strategic Plan? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Is the unemployment of the area detailed in the Strategic Plan? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Is the general distress of the area, including the physical and social conditions that demonstrate it, detailed in the Strategic Plan? | <input type="checkbox"/> | <input type="checkbox"/> |

D. Alaska and Hawaii Nominations Only

Do at least 20% of the families in each census tract within the nominated area have incomes at or below 50% of the statewide median family income?

☐ ☐

Part III: Certifications

I hereby certify that the portion of the nominated area that I represent meets all Federal eligibility requirements and that to the best of my knowledge and belief:

- a. The information in this nomination is true and correct.
- b. Each nominating entity has the authority, with respect to the nominated area, to:
 - (1) Nominate such area for designation as an Empowerment Zone.
 - (2) Make the State, local, or tribal commitments that the Strategic Plan will be implemented.
 - (3) Provide assurances that such commitments will be fulfilled.
- c. The nominating entities shall comply with State, local, and Federal program requirements and have agreed in writing to carry out the Strategic Plan if designated.
- d. The nominating entities will administer the EZ/EC Initiative in a manner that affirmatively furthers fair housing on the basis of race, color, national origin, religion, sex, disability, and familial status (presence of children).
- e. The nominated areas meet each of the eligibility criteria, including special exceptions, set forth in the program regulations:
 - (1) The geographic area satisfies the population requirements.
 - (2) The geographic area is one of pervasive poverty, unemployment, and general distress.
 - (3) The geographic area meets the size and boundary test.
 - (4) The geographic area meets the poverty rate criteria.
- f. Each noncontiguous parcel (except for up to three noncontiguous parcels identified as “developable sites”) being nominated meets the poverty rate criteria.

Authorized Nominating State, Tribal Governing Body, or Economic Development Corporation Official(s) **type or print**

Name of Entity	Signature and Date
Name of Authorized Official and Title	X
Name of Entity	Signature and Date
Name of Authorized Official and Title	X

Authorized Nominating Local Government(s) and Official(s) **type or print**

Governmental Unit and State Name	Signature and Date
Name of Authorized Official and Title	X
Governmental Unit and State Name	Signature and Date
Name of Authorized Official and Title	X
Governmental Unit and State Name	Signature and Date
Name of Authorized Official and Title	X

Attach separate sheet(s), as necessary, to provide identical information and official signatures for all governments nominating the area. Number the sheets 6a, 6b, etc.

Part IV: Population Data Form

Duplicate this page for each noncontiguous parcel in the nominated area. Number the added pages 7a, 7b, etc.
Enter the total number of census tracts listed on all pages in the block to the right.

Name of City:

Name of State:

1. Census Tract Number	2. 1990 Population	3. Land Area (sq. miles)	Poverty		5. Special Code, if Applicable	1. Census Tract Number	2. 1990 Population	3. Land Area (sq. miles)	Poverty		5. Special Code, if Applicable
			4a. No. of Persons in Each Tract	4b. Percent Below Poverty Level					4a. No. of Persons in Each Tract	4b. Percent Below Poverty Level	
1.						21.					
2.						22.					
3.						23.					
4.						24.					
5.						25.					
6.						26.					
7.						27.					
8.						28.					
9.						29.					
10.						30.					
11.						31.					
12.						32.					
13.						33.					
14.						34.					
15.						35.					
16.						36.					
17.						37.					
18.						38.					
19.						39.					
20.						40.					
						Totals					

Number of census tracts that have a poverty rate of 20% or greater.

Number of census tracts that have a poverty rate of 25% or greater.

Number of census tracts with a population of less than 2,000.

General Instructions for the Population Data Form

The Population Data Form is used to demonstrate eligibility of the nominated area.

A nominated urban area shall have a maximum population that is the lesser of (1) 200,000, or (2) the greater of 50,000 or 10 percent of the population of the most populous city located within the nominated area.

The nominated area boundaries must include full census tracts. Census tracts cannot be split. Nominated area boundaries follow census tract boundaries. Separate Population Data Forms must be submitted for each noncontiguous parcel that makes up the nominated area. Also, where a nominated area is located in more than one city, a separate Population Data Form must be completed for each city.

To complete this form, applicants should refer to the Bureau of the Census CPH-3 series of publications from the **1990 Census of Population and Housing: Population and Housing Characteristics for Census Tracts**. The 1990 CPH-3 printed reports are out of print; however, they are available at State data centers and at most local libraries. CPH-3 information also can be obtained through the U.S. Census Bureau Web site. The site contains the link to the State listings with the census data from CPH-3 Tables 1 and 19 and can be accessed via <http://www.census.gov/geo/www/ezinter.html>. For further

information regarding this Web site, call the U.S. Bureau of the Census, Geography Division, at 301-457-1128.

To establish consistency in data reporting, use only the data contained in CPH-3, which provides all the necessary information needed to fill out the Population Data Forms. No other sources of data will be accepted.

Note: CPH-3 Tables 1 and 19 contain the elements needed to complete the Population Data Form. These include square mile area, population, and percent below poverty level. Only the CPH-3 tables and lines specified are acceptable to HUD for completing the Population Data Form on page 7 of the nomination package.

For Alaska and Hawaii, use the percent of families with income at or below 50 percent of the statewide median family income.

1990 Census Tract Outline Maps.

The 1990 census tract outline maps can be ordered by calling the U.S. Bureau of the Census at 301-457-4100. When ordering, please recognize that these maps are plotted on demand and therefore may not be available immediately.

These maps may also be available at State data centers.

Information on these centers can be obtained via the U.S. Census Bureau Web site at <http://www.census.gov/sdc/www/>.

Specific Instructions for the Population Data Form

Column 1. Census Tract Number. List each census tract number contained in the nominated area as shown on the census tract outline map accompanying the nomination. In cases where the nominated area has no census tracts, block group numbering areas may be used.

Column 2. 1990 Population. Use the number from CPH-3 Table 1, line 3 (subhead “All persons” under the “Age” heading) to fill in column 2.

Column 3. Land Area (square miles). Use the number from CPH-3 Table 1, line 2 (subhead “Square Mile” under the “Land Area” heading) to fill in column 3.

Column 4a. Persons in Each Tract. Use the number from CPH-3 Table 19, the 10th line from the bottom (labeled “Persons” under the heading “Poverty Status in 1989,” subhead “Income in 1989 Below Poverty Level”) to fill in column 4a.

Column 4b. Percent Below Poverty Level. Use the number from CPH-3 Table 19, the ninth line from the bottom (labeled “Percent Below Poverty Level,” immediately below the “Persons” line used for 4a) to fill in column 4b. Round this number to the nearest whole number; for example, 34.5 and above is 35 percent. Additional 1990 census data are available online for applicants applying via the Internet. The 1990 census data are available at www.hud.gov/offices/cpd/ezec.

Note: Do not attempt to calculate the percent below poverty. Use the number from the census table.

Column 5. Special Code (SP/AH/DS/CBD). Enter, if applicable, one of the four codes listed to identify a census tract that is subject to special conditions: Poverty rate exemptions for populations of less than 2,000 (SP); for Alaska and Hawaii (AH); for developable sites (DS); and for Central Business Districts (CBD).

- For each census tract that has a population of less than 2,000, enter SP in column 5.
- For each census tract that is in Alaska or Hawaii, enter AH in column 5.
- For each census tract that contains a developable site, enter DS in column 5.
- For each census tract that contains any portion of a Central Business District, enter CBD in column 5.
- Central Business Districts are defined by the U.S. Bureau of the Census.

Consult the 1982 Census of Retail Trade, RC82-C-5, Major Retail Centers in Standard Metropolitan Statistical Areas, publication for your State/Metropolitan area for current designation of Central Business Districts. State data centers should have this publication.

Notes

